Turkey
Vision 2023
Turkey in 2023

- One of the top 10 economies in the world
- GDP: circa $2 trillion
- Population: 82 million
- Export: $500 billion
- Single digit Inflation and Interest rates
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GDP (Current Prices)

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP ($ Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>230</td>
</tr>
<tr>
<td>2006</td>
<td>626</td>
</tr>
<tr>
<td>2010</td>
<td>736</td>
</tr>
<tr>
<td>2015</td>
<td>1,076</td>
</tr>
<tr>
<td>2019</td>
<td>1,486</td>
</tr>
<tr>
<td>2023</td>
<td>2,064</td>
</tr>
</tbody>
</table>

Source: TURKSTAT and «Turkey is Ready, Target 2023»
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GDP Per Capita (Current Prices)

Source: TURKSTAT and «Turkey is Ready, Target 2023»
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Export ($ Billion)

Source: TURKSTAT and «Turkey is Ready, Target 2023»
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- Enhance fiscal transparency and accountability
- Reinforce pioneering role of private sector and decisively continue privatization
- End state’s role in power distribution and sugar production
- Diminish state’s role in power generation, telecom, management of ports, highways and bridges
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- A new governance model for State-Owned-Companies based accountability, transparency and flexibility
- To utilize dormant public land in favor of economy
- To expand investor base for domestic government bonds by introducing new instruments and selling methods
- Diminish state’s role in power generation, telecom, management of ports, highways and bridges
Revising tax policy to support economic growth, investment and employment and to decrease unregistered economy

The less unregistered economy, the lower tax rates

New tax system will be predictable and proactive, supporting investors producing more, committed to utilize their resources efficiently, paying taxes regularly, creating more jobs and expanding economy
Sources of taxes will change in favor of indirect taxes

Tax policies will aim to increase FDI inflows, support investment and R&D, increase employment and reduce regional disparity

A simplified and effective tax system

New regulations to increase revenue sources of local authorities
Priority will be given to infrastructure investments which will support economic productivity in the medium and long term (highway, railway, airports, dams, irrigation, ICT)

Public investments will focus on economic and social infrastructure which cannot be realized by private sector

Public-Private-Partnership will increasingly continue

Public spending will focus on social and infrastructure projects with development potential
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- Sources of taxes will change in favor of indirect taxes
- Tax policies will aim to increase FDI inflows, support investment and R&D, increase employment and reduce regional disparity
- A simplified and effective tax system
Monetary policies will support government’s growth and employment policies provided that they are not in contradiction with financial and price stability.

Inflation targeting will continue to be the main policy.

Inflation targets will be determined for 3 years by the Central Bank and government.

Floating exchange rate regime will continue.

Central Bank will continue to be the principal authority.
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- Istanbul will be one of top 10 financial centers in the world; to this end, human resource, physical, technical, legal and tax measures will be taken.

- Other cities will support Istanbul to be a financial center.

- Number of Turkish companies traded in Istanbul Stock Exchange (ISE) will be at least 1000.

- Foreign companies in ISE will be more than Turkish companies and will be representing at least 10 countries.
In order to diminish dependency of production and export on import, policies and incentives to increase local production capacity of especially intermediary and capital goods

Improve local technologic skills in the sectors with high external dependence

For global competitiveness in export, production and marketing of products and services based on innovation, R&D, high added-value and branding, will be supported
Vision 2023

- Unemployment: 5%; Employment: 50%
- Unregistered non-agriculture employment: 15% (from 30%)
- Lifelong learning participation from 8% (from 2%)
- Annual training of 400,000 unemployed to attain skills
- Analysis of provincial labor force in order to meet labor force demand for required skills, number and sector
- International standards in professional competence
Vision 2023

- R&D expenditures: 3% of GDP
- 2/3 of R&D expenditures by private sector
- Number of full-time equivalent researcher: 300,000
- Working on manned rocket to space and national satellite
- National centers of excellence
- Venture capital and angel investor to turn R&D into business
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- Manufacturing base of medium and high tech products
- Support companies’ technological development
- Manufacturing and R&D base in automotive, national automobil
- Aircraft factory for commercial planes
- Support production of unmanned aerial vehicles
Vision 2023

Microeconomy, Entrepreneurship and Industrial Policies

- Improve infrastructure (OIZ)
- Free land for investors in OIZs where it is available
- Laboratory and test centers with int’l standards
- Ending poor-quality and non-standard products
- Online company establishment in 5 minutes.
Vision 2023

Microeconomy, Entrepreneurship and Industrial Policies

- Support SMEs, IPO of SMEs
- R&D and innovation support for SMEs up to 1 million TL
- 27K TL grant and 70K TK loan for new entrepreneurs
- 15 new business development centers
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Defence Industry

- National rifle
- National cannon
- National tank
- National helicopter
- National fighter aircraft
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In order to achieve $500 billion export volume:

- Export-based production, 100,000 exporters (from 50,000)
- To create at least 10 national brands known worldwide
- Diversification of export markets and products
- Support high value-added, medium and high tech products
- Support key sectors; machinery, iron&steel, automotive, textile, electronics, chemicals
Vision 2023

- Annually 50 million tourists with $50 billion revenue
- Existing 1-million bed capacity will be increased to 1,5 mio
- Number of marinas will be increased 65 up from 25
- Promote health, religion, convention, fair, culture, golf, thermal tourism
Vision 2023

Agriculture

- $150 billion gross agricultural domestic product
- $40 billion agricultural export
- One of top 5 countries in term of agricultural size
- 8,5 million hectare irrigable area (from 5,4 million)
- Number 1 in fisheries in EU
Vision 2023

- 125,000 MW installed power (up from 54,423 MW)
- Increase share of renewables to 30%
- 60,717 km transmission lines (from 49,104 km)
- 158,460 MVA power distribution unit capacity (from 98,996 MVA)
- Decrease electricity loss-theft to 5% and smart grids
- 5 billion m³ natural gas storage capacity (from 2.6 billion m³)
- To establish an energy stock exchange
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- 8 nuclear reactor with 10.00 MW will be active
- Contract 4 nuclear reactors with 5.000 MW
- Construct power plants with 18.500 MW in the coal basins
- Full utilization of hydro power
- Increase wind power to 20.000 MW (up from 1.694 MW)
- Power plants with 600 MW geothermal, 3000 MW solar energy
Vision 2023

- $20 billion export of mining (from $10 billion)
- 5.5 million tons production of $2.5 billion export of boron
- Meeting demand for coking coal by domestic production
- Annual 5 million m² drilling for mining (from 1 million m²)
- 20 billion tons proved reserve of lignite (from 11.5 billion tons)
- 70% of geothermal potential proved to transfer to investors
Additionally 16 new large-scale logistic centers

36.500 km dual carriageway, 7.500 km motorway

70.00 km with bitumen hot-mix asphalt

In 2019 sub-marine tube, 3. bridge on Bosporus

Bridge on Dardanelles
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Transportation / Railways

- 10,000 km high-speed railway, 4,000 km new railway
- 8,000 km with electricity and signal
- Annually 500 km railway will be renovated
- Liberalization of railways opening to private sector
- Renovation of terminals and stations and construction of new terminals for high-speed trains
- Support railway projects to connect Turkey with Caucasus, Middle East, North Africa
Domestically produced plane (regional)

New airports, 400 million passenger capacity (165 mio)

3 new airports in Istanbul

750 planes fleet (200 regional)

At least 2 aviation maintenance and training centers

Establish Turkish Space Institute by 2015
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- Connect main ports with railways
- Transfer ports in Aegean/Mediterranean/Marmara/Blacksea
- To have at least one of top 10 ports in the world by 2019
- 32 million TEU handling capacity for container transport
- Handling 500 million tons of solid & 350 million liquid load
- 10 million DWT shipbuilding capacity
- 100 marina with 50,000 yacth capacity
Vision 2023

- 30 million broadband subscribers
- 50% of ICT sector by domestic products and services
- 8% ICT sector’s share in GDP
- One of top 10 countries in e-transformation
- Provide all public services electronically by 2019
- 80% of population will be computer literate
- Liberalization of postal services by 2015
THANK YOU